FINANCIAL STATEMENTS (UN-AUDITED)

OF

GLOBAL HEAVY CHEMICALS LTD.

For the Half-Year (2nd Quarter)
ended 31 December 2017

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GLOBAL HEAVY CHEMICALS LTD.

Statement of Financial Position (Un-audited)

As at 31 December 2017

(Amount in Taka)

	Notes	31-Dec-17	30-Jun-17
ASSETS			
Non-Current Assets			
Property, Plant & Equipment -Carrying Value	3.00	**3,893,532,108**	**3,832,436,786**
Current Assets		**605,057,147**	**613,510,044**
Advances, Deposits and Prepayments	4.00	137,750,999	137,532,027
Inventories	5.00	174,483,594	181,196,398
Trade Receivable		259,710,735	261,143,531
Cash and cash equivalents	6.00	33,111,819	33,638,088
TOTAL ASSETS		**4,498,589,254**	**4,445,946,831**
EQUITY AND LIABILITIES			
Shareholders equity		**3,893,927,458**	**3,874,883,329**
Share Capital		720,000,000	720,000,000
Share Premium		1,083,400,000	1,083,400,000
Revaluation Reserve		1,525,671,614	1,525,671,614
Retained Earnings		564,855,844	545,811,715
Non-Current Liabilities		**383,191,984**	**374,583,691**
Deferred Tax (Assets)/Liabilities	7.00	383,191,984	374,583,691
Current Liabilities & Provisions		**221,469,812**	**196,479,810**
Trade Payable		2,370,971	2,129,345
Provision & Liabilities for Expenses		61,178,427	39,759,933
Share money (Refundable)		11,545,000	11,545,000
Advance against Sales		5,258,208	5,319,509
Short term Bank Loan		32,017,184	31,348,691
Provision for WPPF		2,755,942	5,204,669
Provision for Tax		106,344,080	101,172,664
TOTAL EQUITY AND LIABILITIES		**4,498,589,254**	**4,445,946,831**
Net Asset Value per share		**54.08**	**53.82**

Company Secretary | Chief Financial Officer | Director | Managing Director | Chairman

Date: Dhaka
January 30, 2018

GLOBAL HEAVY CHEMICALS LTD.

Statement of Profit or Loss and Others Comprehensive Income (Un-Audited)

For the Half Year (2nd Quarter) ended 31 December 2017

(Amount in Taka)

HEADS OF ACCOUNTS	Notes	July 2017 to December 2017	July 2016 to December 2016	October 2017 to December 2017	October 2016 to December 2016
Net Sales		291,453,091	255,371,009	151,932,827	135,606,258
Cost of Goods Sold	8.00	(207,242,842)	(181,171,596)	(107,988,028)	(96,601,508)
Gross Profit		**84,210,249**	**74,199,413**	**43,944,799**	**39,004,750**
Operating Expenses		**(19,127,708)**	**(18,600,476)**	**(10,174,932)**	**(9,989,812)**
Office & administrative Expenses	9.00	(15,845,227)	(15,406,975)	(8,555,078)	(8,372,934)
Selling & Distribution Expenses	10.00	(3,282,481)	(3,193,501)	(1,619,854)	(1,616,878)
Operating Income		**65,082,541**	**55,598,937**	**33,769,867**	**29,014,938**
Financial Expenses		(7,524,544)	(5,351,119)	(2,532,383)	(2,308,532)
Other Income		316,784	191,304	222,674	65,824
Net Profit before WPPF & Tax		**57,874,781**	**50,439,122**	**31,460,158**	**26,772,230**
Provision For WPPF		(2,755,942)	(2,401,863)	(1,498,103)	(1,274,868)
		55,118,839	**48,037,259**	**29,962,055**	**25,497,362**
Income Tax Expenses		**(13,779,710)**	**(12,009,315)**	**(7,490,514)**	**(6,374,340)**
Provision for Current Tax		(5,171,417)	(5,729,129)	(2,697,008)	(2,083,293)
Provision for Deferred Tax		(8,608,293)	(6,280,186)	(4,793,506)	(4,291,047)
Profit after tax		**41,339,129**	**36,027,944**	**22,471,542**	**19,123,021**
Earnings Per Share		**0.57**	**0.50**	**0.31**	**0.27**

Company Secretary | Chief Financial Officer | Director | Managing Director | Chairman

Date: Dhaka
January 30, 2018

GLOBAL HEAVY CHEMICALS LTD. GLOBAL GHCL 37, SEGUN BAGICHA, DHAKA-1000

GLOBAL HEAVY CHEMICALS LTD.
Statement of Changes in Equity (Un-Audited)

For the Half Year (2nd Quarter) ended 31 December 2017

(Amount in Taka)

Particulars	Share Capital	Share premium	Retained Earnings	Revaluation Surplus	Total Shareholders Equity
Balance as at 01 July 2017	720,000,000	1,083,400,000	545,811,715	1,525,671,614	3,874,883,329
Dividend payable for the year 2016-17			(22,295,000)		(22,295,000)
Net profit during the Period	-	-	41,339,129	-	41,339,129
Balance as at 31 December 2017	**720,000,000**	**1,083,400,000**	**564,855,844**	**1,525,671,614**	**3,893,927,458**

For the Half Year (2nd Quarter) ended 31 December 2016

Particulars	Share Capital	Share premium	Retained Earnings	Revaluation Surplus	Total Shareholders Equity
Balance as at 01 July 2016	720,000,000	1,083,400,000	501,184,184	1,525,671,614	3,830,255,798
Dividend paid for the year 2015-16			(33,442,500)		(33,442,500)
Net profit during the Period	-	-	36,027,944	-	36,027,944
Balance as at 31 December 2016	**720,000,000**	**1,083,400,000**	**503,769,628**	**1,525,671,614**	**3,832,841,242**

Company Secretary | Chief Financial Officer | Director | Managing Director | Chairman

Date: Dhaka
January 30, 2018

GLOBAL HEAVY CHEMICALS LTD. GLOBAL GHCL 37, SEGUN BAGICHA, DHAKA-1000

GLOBAL HEAVY CHEMICALS LTD.
Statement of Cash Flow (Un-Audited)
For the Half Year (2nd Quarter) ended 31 December 2017

PARTICULARS	July 2017 to December 2017	July 2016 to December 2016
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Cash Receipts:	**292,964,637**	**276,020,049**
Cash Receipts from Customers	292,647,853	275,828,745
Cash Receipts from Others Income	316,784	191,304
Cash Payments:	**199,146,672**	**185,858,049**
Cash paid to suppliers, employees & others	181,890,605	170,822,009
Income Tax	9,731,523	9,684,921
Bank Interest & Charges Paid	7,524,544	5,351,119
Net Cash Provided by Operating Activities:	**93,817,966**	**90,161,999**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Fixed Assets Addition	(94,960,260)	(65,523,052)
Capital Work in Progress	-	(26,644,805)
Net Cash Used in Investing Activities:	**(94,960,260)**	**(92,167,857)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Bank loan (Short term loan)	668,493	605,197
Dividend Paid	(52,468)	(48,275)
Net Cash provided by Financing Activities:	**616,026**	**556,922**
D. Net Cash Inflow (A+B+C):	**(526,269)**	**(1,448,936)**
E. Opening Cash & Cash Equivalent	**33,638,088**	**28,983,101**
F. Closing Cash & Cash Equivalent (D+E):	**33,111,819**	**27,534,165**
Net Operating Cash flow per share:	**1.30**	**1.25**

Company Secretary | Chief Financial Officer | Director | Managing Director | Chairman

Date: Dhaka
January 30, 2018

GLOBAL HEAVY CHEMICALS LTD. GLOBAL GHCL 37, SEGUN BAGICHA, DHAKA-1000

GLOBAL HEAVY CHEMICALS LIMITED
37, SEGUN BAGICHA
DHAKA-1000
Notes to the Financial Statements
For the half year (2nd Quarter) ended 31 December 2017

1. Reporting Entity

Global Heavy Chemicals Limited (GHCL) was incorporated as a Private Limited Company on the 19th day of September 2000 under the Companies Act, 1994 with the Registrar of Joint Stock Companies & Firms vide Incorporation No.C-41335(694)/2000. It was converted into a Public Limited Company on 16 September 2010. Its authorized Capital is BDT 1,000.00 million and present paid-up capital is BDT 720.00 million. The company went for Initial public offering of shares in December 2012 which was fully subscribed and issued. The company was listed with Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE) on 6 March 2013. The company has started its commercial operation on 15 October 2002. Plant of Global Heavy Chemicals Limited (GHCL) is located on the southern part of Dhaka district in Hasnabad union under Keraigonj Upazilla on the south side of the river Buriganga. The principal activities and nature of the business of the company is to manufacture and distribute Sodium Hydroxide (Caustic Soda), Chlorine and other chemical products.

2. Significant Accounting policies:

2.1 Basis of Preparation of Financial Statements

The Financial Statements of the Company are prepared on a going concern basis under historical cost convention and in accordance with the requirements of Bangladesh Accounting Standards BAS-34 "Interim Financial Reporting", Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other laws and rules applicable in Bangladesh.

These financial statements for the half year ended 31 December 2017 should be read in conjunction with the Financial Statements for the period ended 30 June 2017 (hereafter referred to as the "Annual Financial Statements"), as they provide an update to previously reported information.

No adjustments have been made for inflationary factors affecting the financial statements. No changes in the basis of accounting like valuation of stocks, method of charging depreciation, etc. were made during the half year ended 31 December 2017.

2.2 Revenue Recognition:

Revenue is recognized only when it is probable that the economic benefit of such transaction has been derived as per "BAS-18".

Sales revenue is recognized when transactions related to sales are completed and the sales invoices are issued in favor of the buyers.

AMARSTOCK

		31-Dec-17	30-Jun-17
3.00	**Property, Plant & Equipment -Carrying Value**		
	Opening balance	4,258,270,704	4,134,345,046
	Add: Addition during the Period	94,960,260	123,925,658
		4,353,230,964	4,258,270,704
	Less: Accumulated depreciation up to last account	425,833,918	357,910,364
		3,927,397,046	3,900,360,340
	Less: Depreciation charged during the Period	33,864,939	67,923,554
	Written Down Value	**3,893,532,108**	**3,832,436,786**
4.00	**Advances, Deposits and Prepayments**		
	Security Deposits	24,098,267	24,098,267
	Advance Tax	27,212,586	17,481,063
	Advance VAT	1,949,599	3,969,153
	Other Advance & Deposit (Note: 4.01)	84,490,547	91,983,543
	Total:	**137,750,999**	**137,532,027**
4.01	**Other Advance & Deposit**		
	Advance to C & F agent	9,282,819	8,157,099
	Advance to Carrying agent	2,717,993	2,388,384
	Advance to supplier	28,865,678	28,683,965
	Advance for construction work	-	14,420,294
	Advance to employee	13,192,259	11,592,444
	L/C Margin	27,444,921	24,116,696
	Other advance expenses and deposited	2,986,877	2,624,661
	Total:	**84,490,547**	**91,983,543**
5.00	**Inventories**		
	Raw Materials	110,378,643	107,139,924
	Packing Materials	10,848,680	12,846,171
	Finished Goods	53,256,271	53,805,247
	Materials in Transit	-	7,405,056
	Total:	**174,483,594**	**181,196,398**
6.00	**Cash and Cash Equivalents**		
	Cash in hand	2,916,955	3,154,871
	Cash at bank	30,194,864	30,483,217
	Total	**33,111,819**	**33,638,088**
7.00	**Deferred Tax (Assets)/Liabilities**		
	This represents provision is made for deferred income tax to pay future income tax liability for temporary differences which is arrived at as follows:		
	Opening Balance	374,583,691	357,223,168
	Provision made for the current Period	8,608,293	17,360,523
	Total	**383,191,984**	**374,583,691**
	Calculation:		
	Written Down Value excluding Land (Account Base)	2,163,695,307	2,102,599,985
	Written Down Value excluding Land (Tax Base)	630,927,370	604,265,222
	Temporary Difference	1,532,767,937	1,498,334,763
	Tax Rate	25%	25%
	Deferred Tax (Assets)/Liabilities	**383,191,984**	**374,583,691**

GLOBAL HEAVY CHEMICALS LTD. GLOBAL GHCL HEAVY CHEMICALS 37, SEGUN BAGICHA, DHAKA-1000

		July 2017 to December 2017	July 2016 to December 2016
8.00	**Cost of Goods Sold**		
	Materials Consumed (Note-8.01)	76,607,685	65,268,949
	Direct Labour	15,554,994	16,547,866
	Manufacturing Overhead (Note-8.02)	114,531,188	101,325,410
	Cost of Production	206,693,866	183,142,226
	Add: Opening Stock of Finished Goods	53,805,247	51,778,299
		260,499,113	234,920,525
	Less: Closing Stock of Finished Goods	(53,256,271)	(53,748,929)
	Cost of Goods Sold:	**207,242,842**	**181,171,596**
8.01	**Materials Consumed**		
	Opening Stock of Raw Materials	114,544,980	113,456,270
	Opening Stock of Packing Materials	12,846,171	12,648,680
	Add: Raw Materials Purchase	66,685,281	61,375,488
	Add: Packing Materials Purchases	3,758,576	3,212,458
		197,835,008	190,692,896
	Less: Closing Stock of Raw Materials	(110,378,643)	(114,672,569)
	Less: Closing Stock of Packing Materials	(10,848,680)	(10,751,378)
	Materials Consumed:	**76,607,685**	**65,268,949**
8.02	**Manufacturing Overhead**		
	Carriages	1,743,284	1,679,303
	Gas Expenses	76,106,277	63,819,442
	Fuel and Lubricants	3,264,036	3,168,968
	Depreciation	32,171,692	31,499,152
	Rrepair & Maintenance	1,245,899	1,158,546
	Manufacturing Overhead:	**114,531,188**	**101,325,410**
9.00	**Office & Administrative Expenses**		
	Salary & Allowances	9,539,549	9,059,401
	Managing Director's Salary	720,000	720,000
	Director remuneration	840,000	840,000
	Office rent	300,000	300,000
	Telephone	300,946	292,181
	Printing & Stationery	347,283	337,168
	Electricity	133,648	129,756
	Audit fees	172,500	258,750
	Postage	135,369	139,054
	Entertainment	105,265	108,131
	AGM Expenses	709,357	709,357
	Computer Repairs and Accessories	139,021	142,806
	Traveling and Conveyance	107,169	110,087
	Annual Subscription and Professional fees	282,097	273,952
	Books, Papers & Periodicals	46,617	47,887
	Advertisement	102,524	105,315
	Vehicles Maintenance	170,635	175,280
	Depreciation	1,693,247	1,657,850
	Total	**15,845,227**	**15,406,975**
10.00	**Selling & Distribution Expenses**		
	Salary & Allowances	871,794	1,089,743
	Delivery Expenses	364,300	404,778
	Carton Expenses	1,413,089	1,141,362
	Vehicles Maintenance	633,298	557,618
	Total	**3,282,481**	**3,193,501**

GLOBAL HEAVY CHEMICALS LTD. GLOBAL GHCL HEAVY CHEMICALS LTD. 37 JEGUN BAGICHA, DHAKA